



1 UNITED STATES DISTRICT COURT

2 DISTRICT OF MASSACHUSETTS

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4 SECURITIES AND EXCHANGE)
COMMISSION,)

5 Plaintiff,)

6 vs.)

Case No.
20-cv-10860-LTS

7 DAMON ELLIOTT and PIPTASTIC)
8 LIMITED,)

9 Defendants,)

10 DSE RETAIL LIMITED)

PAUL ROSE)

11 UNIQUE ASSET MANAGEMENT LIMITED)

and)

12 SHARON ELLIOTT,)

13 Relief Defendants.)

14
15
16 VIDEOTAPED DEPOSITION OF

17 DAMON ELLIOTT

18 VOLUME 1 - PAGES (1-170)

19 VIA REMOTE VIDEOCONFERENCE

20 FRIDAY, APRIL 16, 2021

21
22
23 Stenographically Reported by:

24 Victoria L. Valine, CSR, RMR, CRR, RSA

California CSR License No. 3036

25 Job No. 210416VV

1 accounts?

2 A. Yes, I did. Yes.

3 Q. How much?

4 A. I borrowed -- I -- I really can't tell to a
5 specific figure, but it's -- it's a case of, you know, I
6 had -- stupidly, I borrowed money from the Piptastic
7 accounts and, you know, it's -- you know, it's kind of
8 one of those easy things in hindsight to judge, but at
9 the time I borrowed funds on the -- you know, there was
10 promises to me that, you know, this -- like for example,
11 we saw a -- I can't remember which exhibit it was, but
12 from the sheikhs -- I don't even -- I can't even
13 remember what Middle East country it was. If I say
14 Qatar, it would be a guess.

15 You know, they were telling me that 10 million
16 was guaranteed, you know, they didn't want any
17 redemptions for five to eight years. So it's like okay,
18 you know, there was various other promissories made to
19 me, like there was another gentleman, I can't
20 remember -- Denis, I can't remember his surname, but
21 there was -- literally I had paperwork that was showing
22 bank transfers from various banks based in Lebanon,
23 Switzerland, America to the tune of \$8 million that Paul
24 Rose was telling me this money is coming.

25 You know, I even contacted my bank to say, you

1 know, basically watch out there's a lump about to land,
2 I'm aware of it, and whatever checks you need.

3 But against those promissories I stupidly
4 borrowed, and that's, you know, I mean, at the end of
5 the day once this is all said and done that's got to be
6 paid back, and that was always my intention.

7 So it's --

8 Q. So let me --

9 A. -- the time --

10 Q. Let me break that down a little bit.

11 So you personally borrowed money from the
12 Piptastic Limited bank account at Co-operative Bank?

13 A. I did.

14 Q. Did you know you were borrowing investor
15 money?

16 A. No. Because I had business funds in there as
17 well from, you know, from that -- but, you know, again
18 with judgment, you know, did I know I was borrowing
19 investment -- as you put it specifically like that, now
20 I realize that, at the time I just wasn't thinking in
21 that way at all, otherwise I would never have done it.
22 I just wasn't thinking straight at all.

23 And in, you know -- I think, you know, the
24 benefit of hindsight is a wonderful thing, but at the
25 time, you know, it's, you know, you've got someone on

1 one hand telling you there's, you know, in excess of,
2 you know, over the course of time \$18 million incoming
3 of which people don't want to touch for five to eight
4 years, I'm thinking okay, you know, I can trade that
5 amount and make up the shortfall.

6 So, you know, if I borrow a little bit then,
7 you know, that's going to be -- it's not okay. It's
8 totally not okay, but at the time, if you're not
9 thinking correctly, then you don't think straight and
10 that was the predicament I found myself in.

11 Q. Let me make sure we can break that down as
12 clearly as possible.

13 A. Yes. Sure.

14 Q. So to be clear, there was times where -- there
15 was times where, as you've testified, you borrowed money
16 from the Piptastic Limited Co-operative Bank account,
17 correct?

18 A. Correct. Yes.

19 Q. And you borrowed that money thinking that
20 regardless of where it came from, to the extent
21 investors did not want an immediate return of their
22 money -- like the sheikhs, potentially --

23 A. Yes.

24 Q. -- you could potentially make up that money --
25 the money borrowed by engaging in spread betting; is

1 that fair?

2 A. Correct. Yes. That's fair.

3 Going back to the first part of your -- what
4 you said there, you know, I intentionally borrowed money
5 from investment, again I make the point at the time you
6 just see it as a figure in the bank, you know, it's like
7 you're thinking there's money that's coming in that's
8 been promised that it's, you know, on good faith, with
9 signed documents is on its way, you borrow against that,
10 you know, rightfully or wrongly, you know -- as I say,
11 you know, people can judge or kind of say in the cold
12 light of day now that that's wrong or -- I think a lot
13 of people in that predicament would have possibly, you
14 know, chosen that path, but it's -- it was always
15 borrowed with the full intention of every penny going
16 back in.

17 There was never intention to take and get
18 ahold of it, but I never knew obviously which investor,
19 you know, it wasn't a specific pull, it was just, you
20 know, it was just clouded thinking really.

21 Q. And I want --

22 A. I'm sorry. It is difficult to break it down.

23 Q. No. No. It's totally fine. You just have to
24 bear with me if I get a little repetitive to make sure I
25 understand.

1 A. Of course. No. No.

2 Q. I think you just testified to a question I was
3 about to ask. Let me ask anyway.

4 It's correct that the money in the Piptastic
5 account was commingled?

6 A. Was commingled, yes.

7 Q. You had no way of accounting for whether any
8 particular dollar or pound in the Piptastic account was
9 associated with one investor or another; is that
10 correct?

11 A. Correct. Yes.

12 Q. And you had no way to account for whether any
13 of the money in the Piptastic account was your money
14 sourced from prior business dealings or from investors,
15 correct?

16 A. None at all. None at all. My name and
17 administration don't go hand-in-hand, as my wife will
18 testify.

19 Q. How much do you believe you borrowed from the
20 Piptastic Limited account?

21 A. She didn't know anything. She just assumes --

22 Q. My question --

23 A. She just assumed -- sorry.

24 Q. You may have misheard my question or I asked a
25 poor one.

1 How much do you recall borrowing from the
2 Piptastic Limited account?

3 A. I have no idea. It's -- I really couldn't put
4 a figure on it.

5 Q. Does 1.8 --

6 A. No, I --

7 Q. Does 1.8 million British pounds sound right?

8 A. I think that would sound -- you know, without
9 having those figures or knowledge to specific -- I
10 think -- and it should be said that wasn't borrowed in
11 one lump sum because that might make it sound like it's
12 well, hey let's have 1.8 million and run off.

13 It's a trickle thing, you know, it's -- you
14 know, it's one of those things -- you know, it's
15 almost -- without to make light of the situation at all,
16 but if anyone's familiar with the film "Dumb and
17 Dumber," it's, you know, when they're traveling around
18 America with the suitcase, and taking money out of the
19 suitcase and putting IOUs into the suitcase, and before
20 they realize it, they've got a suitcase full of IOUs,
21 and it's -- it's kind of that situation, you know.

22 And as I repeat, that's not to make light of
23 the situation in any way shape or form, because
24 that's -- that's not accurate, but the analogy is kind
25 of like that, you know.

1 You reach a point where you think, you know,
2 that's -- you know, that promised funds haven't --
3 haven't landed so therefore I've got no leverage to kind
4 of trade from and I borrowed and it's like okay, it's
5 like that's a problem.

6 Q. All right. Let me, again, try to unpack that
7 a little bit.

8 A. Yeah.

9 Q. Did you transfer approximately 1.8 pounds --
10 1.8 million pounds -- excuse me -- to your -- from
11 Piptastic Limited's Co-operative bank account to your
12 DSE Retail bank account between 2016 and 2019?

13 A. Possibly, but not in one lump sum. That's
14 the --

15 Q. Okay.

16 A. -- I want to make that point clear. It's in
17 aggregate. You know, I -- you probably have a better
18 grasp on those figures than I do because those accounts
19 are closed and I don't have access to the full capacity
20 of information, but it -- you know, I would say it's
21 probably around that area.

22 Q. Did you also transfer approximately
23 441,000 pounds to -- from the Piptastic Limited bank
24 account to a joint account you held with your wife,
25 Sharon Elliott?

1 A. That sounds -- yeah. That sounds probable.

2 Q. Did you also transfer approximately 65,000
3 pounds from the Piptastic Limited bank account to a bank
4 account held in Sharon Elliott's name?

5 A. No. Because she doesn't have her own account
6 that I'm aware of. We only have joint accounts.

7 Q. On the 1.8 --

8 A. Yeah.

9 Q. -- I understand you're saying that's
10 aggregate, but the 1.8 --

11 A. Oh, I see -- sorry, I -- I see where -- can I
12 just -- you -- you're -- you're -- when you see a bank
13 statement, you see the reference to Sharon Elliott or
14 anything like that, that's -- that would have been --
15 that is literally only a reference line.

16 If you look at the account numbers, the only
17 account that I would have transferred that's got my
18 wife's name on would be the Co-operative account which
19 ends in 7677.

20 Q. Okay. We'll come back to --

21 A. And she -- yeah --

22 Q. -- that.

23 A. -- of course, yeah.

24 Q. Yeah. We'll come back to that in a second.

25 A. Okay.

1 Q. Let's talk -- yes, 7677. So when I say the
2 65,000 pounds to Sharon Elliott, I meant to account
3 ending in 7677.

4 Does that sound right?

5 A. Yeah. That is a joint account, yeah. She
6 assumes that those funds were coming courtesy of my
7 trading activities. She was completely unaware of kind
8 of anything that I was involved with.

9 Q. So to be clear, the 1.8 pounds that you've
10 testified you borrowed from Piptastic Trading, to be
11 clear that was not derived from trading profits,
12 correct?

13 A. Correct. Yes.

14 Q. And to be clear the 441,000 that you
15 transferred from the Piptastic Limited's bank account to
16 the joint account, again in aggregate over a period of
17 time, that was not derived from any trading profit?

18 A. Correct.

19 When I say "not derived," you would have to
20 look at the profits on the accounts, but I would say
21 that's accurate what you're saying. They were borrowed
22 in lieu of, you know, what I was told was coming in.

23 Q. And the 65,000, approximately, pounds that you
24 transferred to the account ending in 7677 was also not
25 derived from trading, correct?

1 A. Correct. Yes.

2 Q. And I said "trading profits" in a series of my
3 prior questions, if I had said trading in general --
4 were they related to trading in general, does that
5 change your answer at all?

6 A. Probably not, no. It's -- you know, it
7 doesn't -- as I said, you know, we assert it's -- you
8 know, I think it's easy in hindsight in the cold light
9 of day to make judgment and assertions, but, you know,
10 at that point in time, it just -- you know, it was --
11 you know, it just wasn't a pleasant time at all for me
12 personally.

13 Q. Now, I don't want to get into anything with
14 any minor children, so be careful here, but I do want to
15 ask about whether you transferred any money to any
16 accounts that are in the names of any of your children
17 or any relatives?

18 A. I think I -- I think I did send some to my
19 family in the UK.

20 Q. What are -- what are their names?

21 A. So it would have been my parents, which is
22 Mark and Kay Elliott, my sisters Anna and Suzy, and my
23 brother Greg.

24 Q. Did you ever send any money to any -- strike
25 that. Let me ask about Suzy for a second.

1 What is Suzy's --

2 A. Uh-huh.

3 Q. What is Suzy's last name?

4 A. Elliott -- oh, sorry, no. That would have
5 been -- at the time it would have been Shales or -- oh
6 crap, I don't know. Crikey, that sounds awful, doesn't
7 it?

8 It's -- no, I -- I -- if I said Shales, I
9 could be wrong, it's either going to be Elliott or
10 Shales, I don't know.

11 Q. Did you ever transfer any of the money from
12 the Piptastic Limited Co-operative Bank account to any
13 accounts held on behalf of any of your children?

14 A. It's possible, I could have -- see my children
15 have only got an account in, it's called gohenry, which
16 is like a -- it's an account that's specifically for
17 minors, you know they have got a card with a spending
18 limit.

19 I -- again, I don't know for certain, but I
20 could have possibly have transferred funds there, but
21 not to -- they don't have a bank account, it's just like
22 a minor's account that they can use online.

23 Q. Did you ever use any money from the Piptastic
24 Trading -- excuse me, Piptastic Limited bank account to
25 buy any real property?

1 A. I used -- again, I borrowed a small sum, we --
2 to partially purchase the property here.

3 Q. When you say "the property here," what
4 property are you referring to?

5 A. The property I live in, which is the only real
6 property that we have.

7 Q. And that's in France?

8 A. It is, yes. We only have one -- we only have
9 one property owned or otherwise we -- we actually -- to
10 explain completely, we sold a property we owned in Kent,
11 and we sold that for a profit. We had about, I think
12 maybe a hundred and -- I'd say about 120 or
13 130,000 pounds profit, which we used to purchase this
14 house and to kind of, you know, to make up the shortfall
15 I borrowed in lieu of, you know, the -- what I was told
16 was incoming, you know, to make up the shortfall in the
17 short-term, because I thought it wouldn't be an issue
18 and I could make up that shortfall.

19 So --

20 Q. How much did you borrow -- how much did you
21 borrow to purchase your house in France?

22 A. I would say 120,000 if -- you know, I think.

23 Q. Do you have a mortgage on your house
24 currently?

25 A. None at all.